GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:989
ANSWERED ON:23.11.2007
RECOVERY OF NPA
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Will the Minister of FINANCE be pleased to state:

(a) the amount locked in NPA during each of the last three years and steps taken to recover them;

(b) the names of the companies wherein NPA amount worth more than ten crore is outstanding against them;

(c) whether the Government has confiscated the property of these companies and taken action against the Board of Directors of such companies;

(d) if so, the details thereof for the last three years; and

(e) if not, the reasons therefor?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) The Gross non-performing assets (NPAs) of public sector banks (PSBs) stood at Rs. 48,399 Crore, Rs. 42,106 crore and Rs. 38,973 crore as on 31st March 2005, 31st March 2006 and 31st March 2007, which accounted for 5.5%, 3.7% and 2.7% of their gross advances, respectively. Reserve Bank of India (RBI) and the Government of India have taken various steps to improve the asset quality of the banks which, inter-alia, include prescribing prudential norms for provisioning and classification of non-performing assets, guidelines for prevention of slippages, introduction of Corporate Debt Restructuring mechanism, One Time Settlement schemes, enactment of

(i) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002,

(ii) the Credit Information Companies (Regulation) Act, 2005, and

(iii) the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993, etc.

(b) : The existing Management Information System of RBI does not generate data in the desired form. At present, RBI disseminates list of non-suit filed `doubtful` and `loss` borrowal accounts of Rs. 1 crore and above on half-yearly basis (i.e. as on 31st March and 30th September) to banks and Financial Institutions (FIs) for their confidential use. The list of non-suit filed accounts of wilful defaults of Rs.25 lakhs and above is also disseminated on quarterly basis to banks and FIs for their confidential use. Further, Credit Information Bureau (India) Limited is maintaining a database on suit- filed accounts of Rs. 1 Crore and above and non suit-filed accounts (wilful defaulters) of Rs. 25 Lakhs and above. The information can be accessed at CIBIL`s website www.cibil.com.

(c) to (e) : Banks take appropriate steps for recovery of their dues in accordance with their recovery policies and RBI guidelines which provide for restructuring of loans, One Time Settlement of dues, filing of cases in Courts / Debt Recovery Tribunals, action under SARFAESI Act, 2002, etc.